

Past

The Past Reflects Our Future

Future



Strength, Dignity, Quality of Life
MISSOURI HOUSING
DEVELOPMENT COMMISSION



Mission

Missouri Housing Development Commission is the state's housing finance agency. The Commission is dedicated to strengthening communities and the lives of Missourians through the financing, development and preservation of affordable housing.

History

The Missouri Housing Development Commission, created by the 75th General Assembly, has invested \$4 billion for rental housing developments, preservation of affordable rental housing, home mortgages, home improvement loans, grants to neighborhood housing groups, and other housing programs. MHDC functions as a bank, providing financing directly to borrowers or through a network of private lending institutions.

The Commission makes loans to non-profit and limited-dividend sponsors of residential housing to provide affordable housing for underserved Missourians. The Commission also makes funds available for the purchase of homes for first-time buyers at below-market interest rates. The funds for mortgage financing are provided through the sale of tax-exempt notes and bonds that the Commission is authorized to issue.

Additionally, the Commission is authorized to establish a revolving fund to make non-interest-bearing loans to non-profit organizations to defray development costs of housing for low and moderate-income persons. The Commission provides advisory, consultative, training and educational services to non-profit housing organizations.

The Commission also administers the federal Low Income Housing Tax Credit, Missouri Low Income Housing Tax Credit and the Affordable Housing Assistance Tax Credit; and operates a housing trust fund for very low-income Missourians to help prevent homelessness and provide emergency housing assistance.

The Commission participates with the Department of Economic Development in preparing the state's Consolidated Plan for the U.S. Department of Housing and Urban Development.

The Commission includes the governor, lieutenant governor, attorney general, treasurer and six persons appointed by the governor with the advice and consent of the Senate.

A Picture of Our Success

Home Repair

– *Missouri Valley Community Action Agency*

Amy R. said her gas bill averaged about \$450 per month during the cold winter months. After Missouri Valley Community Action Agency weatherized her house and installed a new furnace, the bill is now around \$100 per month.

Starting A New Life

– *Rose Brooks Center*

Laura writes – “I don’t want to take up bed space from people who really need it. My husband hasn’t hit me yet.” These are the words I had when I called the Rose Brooks hotline three months ago. The response I got was probably the most important words I have heard in my life. “It sounds like you need them as much as anyone else.”

I look back on this conversation now and I am thankful for those words of advice. I feel as if I woke up from a hazy nightmare ... When he was rampaging through the house, life was bad ... I had forgotten who I was ... no goals and no expectations. I honestly could not see past tomorrow. Thankfully, tomorrow is here.

Today I am a full time nursing student at Penn Valley College and will soon graduate. I am also dreaming again ... my own home ... high expectations for my children ... and I am passing on my enthusiasm and motivation to my children. It feels great to truly live life.

It's Still A Dream – *Self-Help Homeownership*

It's still a dream. I never really thought that we could ever afford to own a house. It was worth all the work and helping others do the same thing. – Samantha W., new Montgomery City homeowner through Northeast Community Action Agency, USDA Rural Development and Missouri Housing Development Commission partnership.





A Message from the Chairman

The Past Reflects our Future

We are pleased to provide you this snapshot of the work of the Missouri Housing Development Commission. In this report, we profile the way our past is framing what we do in the future to provide affordable housing for all Missourians.

Too often we get caught up in the numbers game in our business – the number of affordable units in a rental housing development, the number of tax credits, the interest rate on a home mortgage or the number of beds in a shelter.

Affordable housing is not about numbers, buildings, real estate or money. We cannot ignore these things, especially the money, but it is really about our people.

“The Past Reflects Our Future” represents independence for our seniors. It’s watching them reconnect with old friends and find new cribbage buddies at the comfortable and affordable place to live in the community where they grew up and raised a family.

It means providing short term rental assistance or an emergency utility payment to keep a family in the home where they’ve shared memories, and where they will continue to build a future with just a little help.

It reflects our future when we can provide an affordable loan for a young couple who want to start a family in their very first home.

The future brings new opportunities. We will continue to offer opportunities for families to make informed choices about where they live: safe places with good schools, recreational and cultural opportunities, livable neighborhoods and a sense of community; homes full of family and love.

A stable and flexible housing market is essential... and not only to a healthy and productive economy. It matters most importantly because housing – and it’s quality and location – affects people – their lifestyle, job prospects, health, family life and participation in society.

We will work our hardest to create sustainable communities that meet the varied needs of the people we serve. We will continue to work together in metropolitan neighborhoods, small rural communities, and in warm family households.



Sarah Steelman
Chairman/State Treasurer

The Commission

June 30, 2005



Matt Blunt
Governor



Sarah Steelman
Chairman/State Treasurer



Peter Kinder
Lieutenant Governor



Robert C. Fulp
Vice Chairman



Jeremiah W. (Jay) Nixon
Attorney General



Bill Luetkenhaus
Secretary, Treasurer



Jane B. Klieve
Commissioner



Gary D. Collins
Commissioner



Anne B. Schmidt
Commissioner

The allocation of housing resources is a complex and sometimes tasking issue. With virtually three times more requests than funds, MHDC must make decisions effecting individuals and the communities in which they live. These decisions are not made alone. The Commission welcomes and requires input from public and private entities, as well as, individuals to help make the right decision for their community.

For seniors ...

The realistic housing needs in the 21st century include honoring our seniors for their years of productivity and service in communities by ensuring they have a safe, comfortable environment in which to live. They have built the foundation on which our state has grown and now they deserve a time to enjoy with dignity what Missouri brings.

This also means providing needed services within the facilities that we finance. Older adults, like all people, are individuals with ambitions, capabilities and creative capacities. They continue to be a vital part of the growth and development of our communities. They have certain basic needs, including opportunities for relationships and for experiencing a sense of achievement. They need both access to sources of information and help for personal and family problems, and the opportunity to learn from individuals coping with similar experiences.

For families ...

Missouri Housing Development Commission works with its public, private and non-profit partners to provide opportunities for Missouri's low-income working families to build better lives through an integration of rental housing and family support.

By bringing together people, money and expertise, we are able to preserve and expand the supply of affordable rental housing, facilitate the development and management of family support services connected to neighborhoods and housing and eventually, to assist low income working families to become successful homeowners... because that opens up future possibilities.

If our history in Missouri shows us anything, it shows us that we must build a stable environment for our children so they can concentrate on being children... and on forming friendships at school and on the playground that last.



Annual Report Numbers

Rental Production

Low Income Housing Tax Credit

- 9 percent Rental Housing Tax Credit – financed 40 developments with 1,314 units
 - ◆ Kansas City Metro – 225 units
 - ◆ St. Louis Metro – 385 units
 - ◆ Out State Region – 704 units
- \$10.6 million federal generates \$80 million in equity
- \$10.6 million state generates \$30 million in equity
- \$21.2 million in credits produces 70 percent of the total development costs

MHDC Reserves or MHDC Fund Balances

- \$7 million – used for gap financing most often at 3 percent interest
- State restrictions are imposed and participation loans with other lenders help leverage these funds

Federal HOME Finances

- Total HOME funds for FY 2005 - \$19,824,988 usually at 1 percent interest for 30 years
- Includes loans, grants and funding for Community Housing Development Organizations.

Tax-Exempt Bond Financing – FY 2005

- 3,272 units
 - ◆ Kansas City Metro – 1,387 units (42%)
 - ◆ St. Louis Metro – 1,368 units (42%)
 - ◆ Out State Region – 517 units (16%)
- \$9,205,463 in 4 percent federal and state Rental Housing Tax credits
- \$42,260,000 in MHDC tax-exempt bonds
- \$205,539,000 in Industrial Development Authority issued tax-exempt bonds
- 946 units for seniors

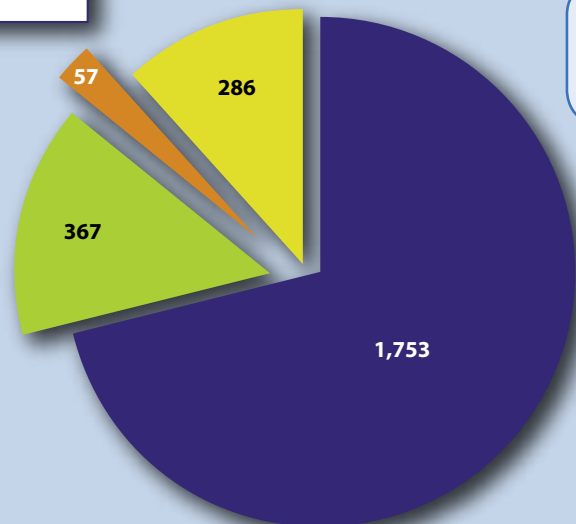
Homeownership

Interest Rate

4.95	52	2.5%
5.08	8	0.3%
5.25	1	0.0%
5.40	19	0.8%
5.65	200	8.1%
5.70	66	2.7%
5.85	2	0.1%
5.88	435	17.7%
5.90	440	17.9%
5.95	162	6.6%
5.99	25	1.0%
6.08	22	0.9%
6.30	509	20.7%
6.60	512	20.8%
Total: 2,463		100.0%

Loan Type

CONV	286	11.6%
FHA	1,753	71.2%
RD	367	14.9%
VA	57	2.3%
Total: 2,463		100.0%



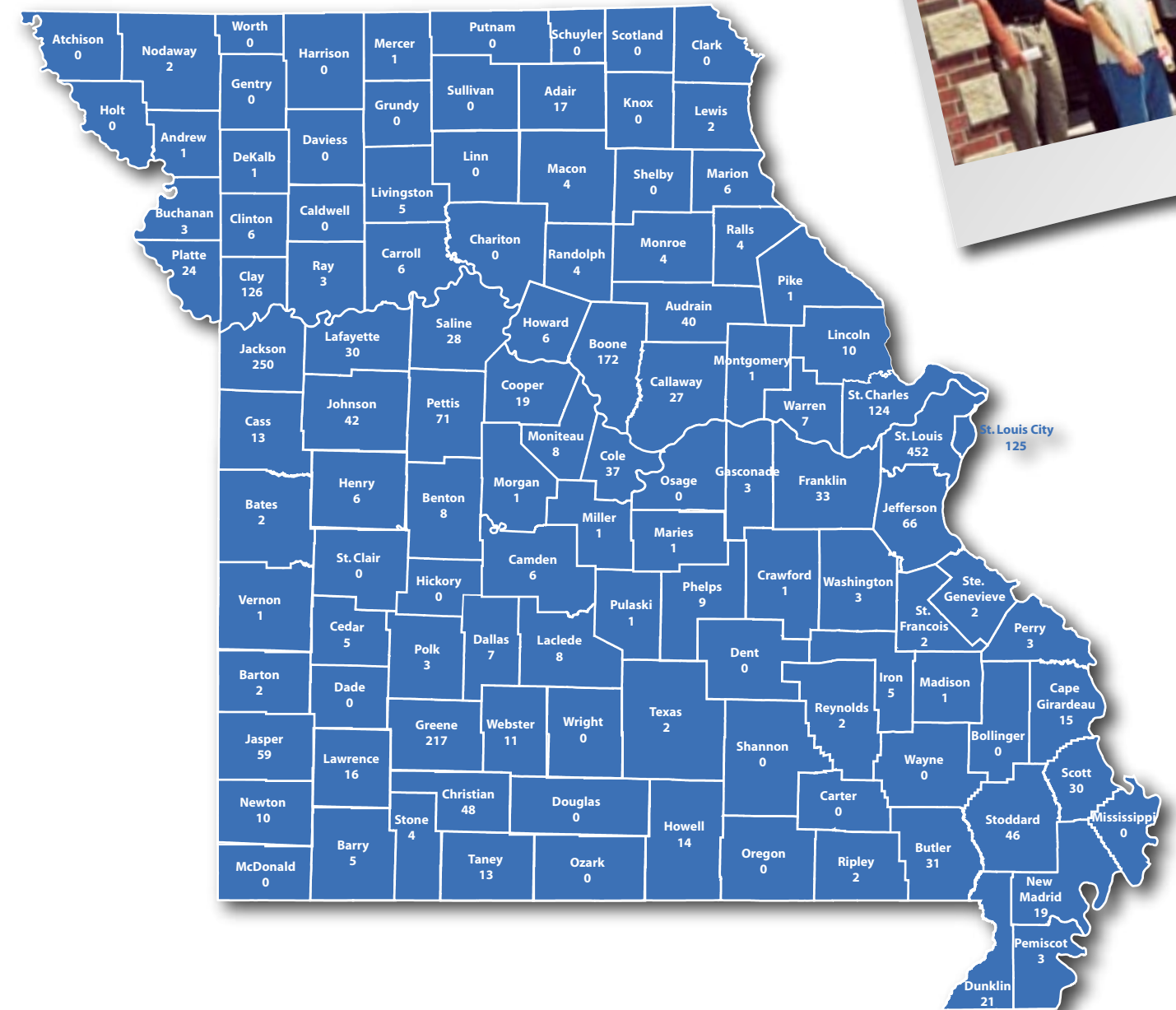
MHDC strives to develop and promote programs that serve people ready to assume the responsibilities of homeownership and household budget management. Each and every year, we help people achieve the dream of homeownership through below-market interest rates, down payment assistance and cash assistance payments. We believe these opportunities contribute mightily to the financial stability of Missouri families.

The First Place Loan Program and the American Dream Downpayment Initiative (ADDI) were the main elements of the commission's homebuyer program this year. Our work within these programs with hometown lenders and real estate professionals allows first-time homebuyers an opportunity to continue to be an integral part of their own communities.

Backed by mortgage revenue bonds, we were able to complete 2,462 First Place Program loans valued at \$218.7 million with almost \$6.2 million provided as part of our Cash Assistance Payment to defray down payment and closing costs. The federal ADDI program allowed 193 soft second mortgages totaling \$1.1 million to further defray these costs.

Avg. Age - 30.34
Avg. Sales Price - \$91,203.00

First Place Loans





Snapshot: Building Blocks



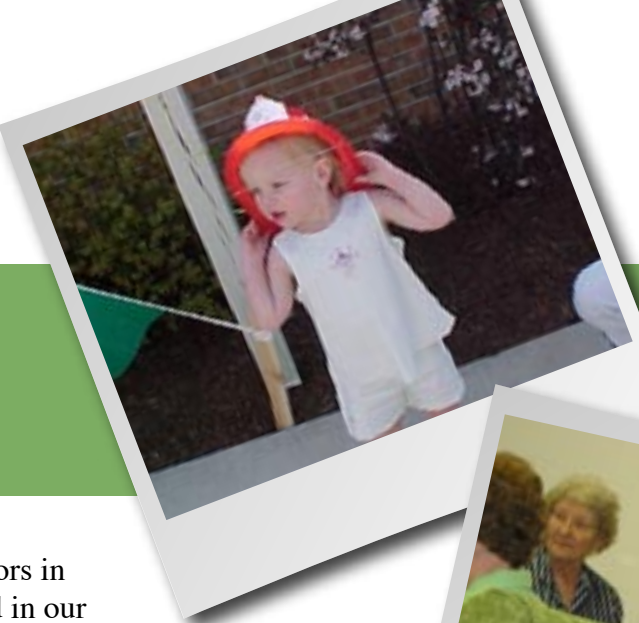
With the increasing cost of homes in the Midwest, how does a working family afford to purchase a house? Sure, interest rates have lowered, but the price of a home continues to soar, right past the affordability of our country's foundation—the working class Americans. Partnered with HUD, USDA Rural Development and an assortment of others, MHDC made this dream of homeownership a reality with a program called *Building Blocks*.

Through the collaboration of private and public funding, the North East Community Action Corporation was able to help low income families build their own home through the USDA Rural Development Self-Help program in Montgomery County. By providing more than 65 percent of the construction labor, under qualified professional supervision, homeowners worked on both their homes and their neighbor's homes. With this "sweat equity," low income families were able to purchase a home that they otherwise could not afford.

Amidst 50 applicants, five homebuyers were selected to be the first residents of Fairview Estates, each using Housing Choice Vouchers to help pay the mortgage on the property. Homebuyers were able to finance low cost mortgage loans through Rural Development and receive down payment assistance from MHDC and the Missouri's Department of Economic Development (using federal Community Development Block Grant funds).

New homes and an enriched community make Fairview Estates a subdivision built on more than just money; it's a neighborhood of friends helping each other achieve their dreams.

Rural home repair



Rural home repair, especially for seniors in rural areas, has become a serious need in our smaller towns and cities located in rural Missouri.

The Commission designated \$1 million in federal HOME funds for home repair in rural areas in 2005 through our Home Repair Opportunity Program (HeRO). Coordinated through 10 community agencies, agencies repaired 106 homes to provide a more hospitable and safe environment for low-income homeowners. Agencies participating in the program included:

- Delta Area Economic Opportunity Corporation
- East Missouri Action Agency
- Economic Security Corporation of Southwest Missouri
- Green Hills Community Action Agency
- Meramec Community Enhancement Corporation
- Missouri Ozarks Community Action
- North East Community Action Corporation
- Ozark Area Community Action Corporation
- Ozark Action, Inc.
- West Central Missouri Community Action



The program includes rehabilitation, lead risk reduction, weatherization and repairs or improvements that make a home more accessible for an elderly or physically-challenged person so that they are better able to enter or move about their home, or to improve the overall quality of life.

Missouri Housing Trust Fund

Homeless Prevention	\$3,356,029
Rehab housing services facilities	\$793,050
Home Repair	\$663,500
Housing Services - operating support	\$577,600
Rental assistance	\$354,840
Construction Housing Services Facilities	\$154,981
Multi-family development resident services	\$100,000
TOTAL	\$6,000,000

Missouri Housing Trust Fund (MHTF) has become an essential resource for nonprofits who work directly with some of the neediest populations in our state. While Trust Fund monies could never meet the entire housing service needs in the state, it does leverage significant resources from other sources.

In 2005, MHDC received more than \$22 million in Trust Fund requests with only \$6 million available for funding.

While much of the research, policy and housing services in the past have focused on people’s experiences and needs once they become homeless, most recently more focus has been placed on preventing families and individuals from becoming homeless. The Trust Fund awards dollars to agencies that in turn administer programs that prevent homelessness through rent or mortgage assistance, emergency utility payments, home repair combined with long term supportive services. Missouri Housing Trust Fund dollars serve a varied population including: veterans, women and children of domestic violence, ex-offenders, youth, and the elderly.

“Homeless prevention program funds made a huge difference in the lives of many people and alleviated over-crowding in area shelters. If you have ever looked into the eyes of a grown man with tears rolling down his face because his little girl doesn’t have to sleep in their old car anymore, then you understand the impact and necessity of this program.”

– Ozark Community Action Corporation.

Six North Snapshot

In a collaborative effort to help accommodate individuals who must use a wheelchair, MHDC joined McCormack Baron Salazar to construct one of the country’s first completely universal design apartment complexes. Located in St. Louis, 6 North Apartments consists of mixed-income units, 82 in all. Totalling more than \$9.3 million in development, MHDC’s commitment to providing affordable housing for all Missourians rings loud and clear.

A few of its innovative amenities include adjustable kitchen island countertops, ADA accessible kitchen and vanity sinks, full laundry units in each apartment, wood floors and sliding walls. A fitness center and the “6 North Coffee Company Restaurant” make this building an all-encompassing environment.

One of the most interesting parts of this incredible building is the available “live/work” units. In addition to being universally designed, some units double as living quarters and a working studio. These units have two entrances, a private door for the residents to enter their living space, and another that enables clients to come for business. This feature was largely pushed by the local population as it allows people to work and live in the same place, while distinguishing the two very distinct environments.



In Boston at the National Council of State Housing Agencies (NCSHA), MHDC was given a 2005 Award for Program Excellence. Entered in the Special Housing Needs category, 6 North proved victorious for it’s commitment to universal design – showing that 6 North is not just a place for living, but a place to really live!

Financial Information

For the fiscal year ending June 30, 2005

Missouri Housing Development Commission and Missouri Housing Trust Fund



Missouri Housing Development Commission

BALANCE SHEET (In Thousands)

June 30,

Assets	2005	2004
Current Assets		
Cash and temporary cash investments	\$5,629	\$5,856
Investments	22,640	15,780
Mortgage investments	8,320	6,188
Accrued interest receivable	1,585	1,342
Accounts receivable - other	268	207
Prepaid expenses	110	110
Total Current Assets	38,552	29,483
Noncurrent Assets		
Restricted Assets:		
Cash and temporary cash investments	39,790	25,484
Investments	353,637	419,150
Mortgage investments	1,084,961	1,035,752
Accrued interest receivable	7,410	7,912
Deferred financing charges	33,547	31,178
Total Restricted Assets	1,519,345	1,519,476
Investments	47,711	44,139
Mortgage investments, net of current portion and allowances for loan losses (\$20,701 in 2005 and \$18,626 in 2004)	72,895	81,720
Capital assets, less accumulated depreciation	928	661
Total Noncurrent Assets	1,640,879	1,645,996
Total Assets	\$1,679,431	\$1,675,479

Audited financial statements may be viewed at the Missouri Housing Development Commission's website at www.mhdc.com.
Paper copies are available upon written request.

Missouri Housing Development Commission

BALANCE SHEET CONTINUED (In Thousands)

June 30,

Liabilities and Net Assets	2005	2004
Liabilities		
Current Liabilities		
Bonds and notes payable	\$525	\$525
Accounts payable	772	813
Deferred financing and commitment fees	691	610
Total Current Liabilities	1,988	1,948
Current Liabilities - Payable From Restricted Assets		
Bonds and notes payable	33,486	46,258
Accrued interest payable	19,166	19,396
Escrow deposits	69,018	63,615
Rent subsidies and other payables	1,411	1,904
Accounts payable	1,819	2,247
Deferred financing and commitment fees	1,306	1,288
Total Current Liabilities - Payable From Restricted Assets	126,206	134,708
Noncurrent Liabilities		
Bonds and notes payable	1,190,475	1,192,451
Deferred financing and commitment fees	13,630	12,518
Total Noncurrent Liabilities	1,204,105	1,204,969
Total Liabilities	1,332,299	1,341,625
Net Assets		
Invested in capital assets	928	661
Restricted by the Commission, bond resolution and State Statute	319,814	311,701
Unrestricted	26,390	21,492
Total Net Assets	347,132	333,854
Total Liabilities And Net Assets	\$1,679,431	\$1,675,479

Missouri Housing Development Commission

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS (In Thousands)

For the Years Ended
June 30,

Operating Revenues	2005	2004
Interest and investment income:		
Income - mortgage investments	\$62,547	\$61,881
Income - investments	13,229	15,079
Net increase (decrease) in fair value of investments	3,940	(28,462)
Total interest and investment income	79,716	48,498
Administration fees	6,596	6,384
Financing fees and other	14,270	17,759
Federal program income	108,832	116,179
Total Operating Revenues	209,414	188,820
Operating Expenses		
Interest expense on bonds	59,003	65,373
Bank miscellaneous bond debt expense	4,303	4,340
Compensation	7,318	6,769
General and administrative expenses	3,200	3,035
Provision for loan and real estate owned losses	2,220	3,000
Rent and other subsidy payments	5,247	3,428
Housing Trust Fund grants	6,064	5,379
Federal program expenses	108,781	116,052
Total Operating Expenses	196,136	207,376
Change In Net Assets	13,278	(18,556)
Net Assets - Beginning Of Year	333,854	352,410
Net Assets - End Of Year	\$347,132	\$333,854

Missouri Housing Trust Fund

BALANCE SHEET (In Thousands)		June 30,	
Assets	2005	2004	
Current Assets			
U.S. government and agency securities	\$5,666	\$4,824	
Mortgage loans	24	24	
Accrued interest receivable	31	45	
Accounts receivable	—	803	
Total Current Assets	5,721	5,696	
Noncurrent Assets			
Mortgage loans	328	352	
Total Assets	\$6,049	\$6,048	
Liabilities and Net Assets			
Liabilities			
Accounts payable	\$60	—	
Net Assets			
Restricted	5,989	6,048	
Total Liabilities and Net Assets	\$6,049	\$6,048	
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS (In Thousands)		For The Years Ended June 30,	
	2005	2004	
Operating Revenues			
Recording fees	\$6,000	\$5,988	
Interest income	125	85	
Total Operating Revenues	6,125	6,073	
Operating Expenses			
Trust Fund grants	6,064	5,379	
Administrative expenses	120	120	
Total Operating Expenses	6,184	5,499	
Change In Net Assets	(59)	574	
Net Assets - Beginning Of Year	6,048	5,474	
Net Assets - End Of Year	\$5,989	\$6,048	

The Missouri Housing Trust Fund’s audited financial statements may be viewed at the Missouri Housing Development Commission’s website at www.mhdc.com.
Paper copies are available upon written request.

MHDC Staff

As of June 30, 2005

Erica A. Dobreff, Executive Director
Marilyn Lappin, Deputy Director/Chief Financial Officer
Pete Ramsel, Deputy Director/Chief Underwriter

Alice Blair	Evelyn Sparkman	Marsha Rubin
Angela Campbell	Evelyn Thompson	Marsha Wortman
Angela Tatro	Frank Quagraine	Martha L Ellsworth
Benjamin Miles	Gary Allsup	Mary Cason
Beverly Brackney	Gary Meyer	Mary Helen Murphy
Bobbie J Marriott	Gladys Cardona	Maryann Nieweg
Brad Jordan	Gus Metz	Melody Berry
Bramwell Higgins	Gwendolyn Jones	Melody Clubine
Bridgett Day	Hans Thomas	Melody McAllister
Carl Blanks	Henry Rowell	Michael Sullivan
Carol Caylor-Lopez	Ida Tucker	Nancy Ashlock
Carrie McKnight	Jacqueline Waggoner	Nicole Robinson
Cheri Baker	James Kalthoff	Patrick Wray
Cheryl Banashek	James Klevorn	Paula M Harmon
Chiqueta Harps	James Torres	Percy Bishop
Christina Evans	Jane Anderson	Phyllis Roberson
Connie Mathews	Janell Thome	Priscilla Winn
Corrie Holland	John Driver	Rachel Davis
Daniel McKim	Judith Redd	Ralph Littleton
Darlene Sims	Jules Friedman	Rickey Pierre
Darrell Westbrook	Julian Johnson	Robert Odell
David Bryan	Karen Jones	Ronald Higgins
David Maslen	Karen Justice	Ronald Hill
Deanna Fox	Kathryn Mendyk	Rozanne Taylor
Deborah Payne	Kelly Schaefer	Ruby Davis
Deborah Thompson	Kenneth Akins	Sandra Gant
Debra Giffin	Kimberly Reed	Sandra Tillman
Debra Pinnock	Kimberly Robertson	Scott Hanak
Delores Brownlee	Kimberly Rose	Sheila Beck
Denise Weber	Kirk Lett	Sheila Collier
Derrek Gillis	Larry Ankrom	Sheila Moore
Diana Crall	Linda Linville	Sheldon White
Diana Greener	Lola Combs	Steve Sillimon
Diane Perry	Lorenzo Rice	Susan Kornelis
Dolores Brightwell	Luann Kolander	Trudi Taylor
Don Brinker	Marcella Pulliam	Ulysses Clayborn
Donna Lawhon	Margaret Morse	Wendell Heyen
Dorothy Person	Marietta Jones	Wendy Clark
Duane Felix	Mark Stalsworth	William Holman
		William Hunziker



Strength, Dignity, Quality of Life

MISSOURI HOUSING
DEVELOPMENT COMMISSION

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